Date : 16-11-2018.

From:
Silver Oak Realty,
5-4-187/3&4, 2nd Floor
Soham Mansion, M.G Road,
Secunderabad- 500003.

To:
Income tax Officer,
Ward 10(3) / Hyd,
I.T Towers, A.C Guards,
Hyderabad.

Sir/Madam,

Sub: Income tax Assessment proceedings – Own case- Asst. Year : 2016-17
PAN – ACXFS3783R - Submissionof Incorporation – Reg.
Ref: Your Notice U/S 142(1) dated 15/11/2018

In connection with the income tax assessment proceedings certain information requested for is submitted hereunder for your kind consideration.

1. **Explanation on the discrepancies in the value redeemed from value of inventories as on 31.03.2016.**
The opening stock value of the land as on 01.04.2016 and the closing stock value of the hand as on 31.03.2016 and the changes in the stocks is as under:

Particulars	Opening stock as on 01.04.2016	Closing Stock as on 31.03.2016	Increase / (Decrease) in Stock
Phase – II land	4,62,000.00	4,62,000.00	-
Phase – III land	31,59,115.88	14,03,389.88	(17,55,726.00)
Land 16.5 Guntas	8,16,100.00	8,16,100.00	(8,16,100.00)
Phase IX	9,10,60,300.00	9,10,60,300.00	-
	9,54,97,515.88	9,29,25,689.88	(25,71,826.00)

During the year, there have been sales of houses in phase – III for which revenue of Rs.2,57,25,000/- is credited to construction account. The cost of sales in respect of land cost amounting to Rs17,55,726/- is redeemed from the closing inventories as on 31.03.2016. The total land value redeemed from the closing inventories as on 31.03.2016 is thus as under:

In relation to phase – III land is	Rs 17,55,726.00
In relation to land 16.5 guttas is	Rs 8.16.100.00
Total	Rs 25,17,826.00

The Grouping sheet of stock of Land is attached as **Annexure 1.**
In view of the above is submitted that there is no discrepancy in the value redeemed from the closing inventories as on 31.03.2016.

2. **<u>Profit on account of land sold admeasuring 16.5 guntas for the F.Y: 2015 -16:</u>**
The gross profit on sale of stocks being 16.5 guntas of land is worked out as under:

Sale Consideration (Credited to Construction Account)	Rs 1,20,00,000.00
Less: Cost of Sales (redeemed as changes in inventories as on 01.04.2016 & 31.03.2016)	Rs 8,16,100.00
Gross Profit	Rs 1,11,83,900.00

We hope you will find the above information in order

Yours faithfully
For SILVER OAK REALTY,

PARTNER.